

VIRGINIA REAL ESTATE APPRAISER BOARD
VIRGINIA REAL ESTATE BOARD
BROKER PRICE OPINIONS WORKING GROUP MEETING REPORT

DRAFT

The Real Estate Appraiser Board (REAB) and Real Estate Board (REB) Broker Price Opinions Working Group (the Group) met on Tuesday, September 1, 2009, at the Department of Professional & Occupational Regulation in Richmond.

Working Group Members present: Diane Quigley, Chair, REAB
Betsy Critzer, REAB
H. Glenn James, REAB
Richard Pruitt, REAB
Byrl Phillips Taylor, REB
Scott Gaeser, REB
Sharon Johnson, REB

Staff Members present: Mark Courtney, LRD Deputy Director
Christine Martine, Executive Director
Kevin Hoeft, Board Administrator

The meeting was called to order at 1:10 p.m.

The agenda was approved unanimously.

Public Comment

Mack Strickland, Virginia Certified Residential Appraiser, reviewed definitions of "Valuation," "Appraisal," and "Value" in the REAB Regulations, *Code of Virginia* and USPAP, and also submitted Fannie Mae and Freddie Mac BPO Forms. Mr. Strickland concluded that BPOs are appraisals and an appraisal license should be required to perform a BPO.

Jayne Allen, Virginia Certified Residential Appraiser, stated that licensed real estate brokers and salespersons who perform BPOs should meet minimum education and qualifications standards. Ms. Allen submitted a copy of the BPO Standards Board "Broker Price Opinions Standards and Guidelines" document as an example of some of these standards.

Lawrence E. Marshall, Special Counsel for the Virginia Association of Realtors, stated that Section 54.1-2010.A.1 of the Code of

Virginia is the governing statute regarding licensed real estate brokers and salespersons' authority to perform BPOs or Comparative Market Analyses (CMAs). This statute allows Real Estate Board licensees, in the ordinary course of business, to provide a valuation or analysis of real estate for a fee as long as the licensee does not hold himself out as an appraiser, doesn't refer to the valuation as an appraisal, and doesn't use the valuation in lieu of an appraisal performed by a licensed appraiser. Mr. Marshall concluded that the Real Estate Appraiser Board is without jurisdiction in the matter of Real Estate Board licensees performing BPOs and CMAs.

Jean Gannon, Virginia Certified Residential Appraiser, stated that the terms, CMA, BPO, and appraisal should be better defined.

Mr. James inquired as to whether standards of practice could be implemented to improve the quality of BPOs and CMAs performed by Real Estate Board licensees. He pointed to the BPO Standards Board "Broker Price Opinions Standards and Guidelines" document as a resource for establishing such standards of practice.

Working Group Discussion

After discussion, by consensus the Working Group approved the following course of action:

- 1) Board staff to draft a Guidance Document for Working Group review and approval outlining the current statutory and regulatory provisions governing the creation of BPOs/CMAs by Real Estate Board licensees.
- 2) If this Guidance Document is adopted by the Real Estate Board, then an article explaining its provisions and related issues should be placed in an upcoming issue of *VREB Speaking*, the Board's quarterly newsletter.
- 3) The Real Estate Board may consider amending its regulations to add provisions governing the creation of BPOs/CMAs by Real Estate Board licensees.

There being no further business, the meeting adjourned at 2:50 p.m.